

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00  
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 COME-00 EB-07  
LAB-04 SIL-01 /070 W

----- 113501 /63

R 131739Z DEC 76  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 1753  
INFO AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
DIA  
USMISSION EC BRUSSELS  
USMISSION NATO  
USMISSION OECD PARIS  
AMCONSUL NAPLES  
AMCONSUL MILAN  
USCINCEUR VAIHINGEN, GER  
USDOCOSOUTH

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USDOCOSOUTH FOR INTAF

E. O. 11652: GDS  
TAGS: PINT, ELAB, PINR, IT, EFIN  
SUBJ: CCU EXECUTIVE COMMITTEE MEETING CONCLUSION; PUBLIC SERVICE  
CONTRACT TALKS BREAK DOWN

REF: ROME 20167 AND PREVIOUS

1. SUMMARY. THE CCU EXECUTIVE COMMITTEE MEETING CONCLUDED WITH ADOPTION OF A PROPOSAL TO DECOUPLE SENIORITY PAY INCREASES FROM THE WAGE ESCALATION SYSTEM. THE CCU HAS ASKED FOR A POSTPONEMENT OF THE DECEMBER 13 MEETING WITH MANAGEMENT TO AWAIT THE OUTCOME OF LABOR'S MEETING ON DECEMBER 15 WITH THE GOVERNMENT. THE CCU HAS ALSO SCHEDULED A NATIONAL ASSEMBLY OF CATEGORY UNION REPRESENTATIVES IN ROME FOR JANUARY 7-8 TO REVIEW THE ECONOMIC SCENE AND LABOR'S RELATIONSHIP TO CALLS FOR AUSTERITY. MEANWHILE, CONTRACT NEGOTIATIONS IN THE PUBLIC SERVICE HAVE BROKEN DOWN AND A  
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SERIES OF STRIKES IS BEING CONTEMPLATED. END SUMMARY.

2. AFTER HEATED DISCUSSION, THE 90-MAN EXECUTIVE COMMITTEE OF THE FEDERATION CGIL-CISL-UIL (CCU) APPROVED LATE ON DECEMBER 10 THE ADOPTION, WITHOUT SUBSTANTIAL CHANGE, OF THE REVISED KEYNOTE DOCUMENT PRESENTED BY CGIL SECRETARY GENERAL LAMA (AND REPORTED IN REFTTEL). THUS, IN ESSENCE, THE CCU GOES ON RECORD AS APPROVING THE DECOUPLING OF SENIORITY STEP-INCREASES FROM THE WAGE ESCALATION SYSTEM. LABOR SPOKESMEN ESTIMATE A LABOR COST SAVINGS OF SOME THREE PERCENT IS AVAILABLE THROUGH THIS CONCESSION. THE CCU HAS REJECTED THE PROPOSAL OF STRETCHING WAGE ESCALATION PAYMENTS FROM A QUARTERLY TO A SEMI-ANNUAL BASIS. THIS PROPOSAL, CONTAINED IN LAMA'S ORIGINAL VERSION AND URGENTLY REQUESTED BY CONFINDUSTRIA (WHICH WOULD EXPECT A 3.9 PERCENT LABOR COST SAVING THEREBY), DID NOT SURVIVE THE REVISION PROCESS WITHIN THE CCU. IN THE FINAL CCU DOCUMENT, THE UIL REPUBLICANS ABSTAINED FROM VOTING, EVIDENTLY BECAUSE THEY FELT THAT THE COOPERATIVE GOOD INTENTIONS EXPRESSED IN THE DOCUMENT WERE INADEQUATELY ACCOMPANIED BY CONCRETE PROPOSALS.

3. THE CCU ALSO APPROVED THE CONVOCATION OF A NATIONAL LABOR ASSEMBLY IN ROME ON JANUARY 7-8. THIS IS TO BE A MEETING OF REPRESENTATIVES FROM THE CONSTITUENT UNIONS OF THE THREE CONFEDERATIONS, DESIGNED TO ASSESS LABOR POLICY AND GOVERNMENT AND MANAGEMENT POSITIONS IN THE LIGHT OF THE PREVAILING SITUATION. LABOR HAS ALSO ASKED FOR A POSTPONEMENT OF THE MEETING WITH CONFINDUSTRIA SCHEDULED FOR DECEMBER 13, TO AWAIT THE OUTCOME OF LABOR'S NEXT ENCOUNTER WITH THE GOVERNMENT ON DECEMBER 15.

4. MEANWHILE, NEGOTIATIONS FOR THE RENEWAL OF PUBLIC SERVICE CONTRACTS HAVE FOUNDERED. THE GOVERNMENT, HAVING ALTERED ITS INITIAL DECLARATION OF OFFERING ZERO WAGE" SALARY INCREASES, HAS OFFERED A MONTHLY INCREASE OF 5,000 LIRE FOR THE FIRST YEAR OF THE NEW THREE-YEAR PERIOD; PUBLIC SERVICE UNION REPRESENTATIVES ARE INSISTING ON A MINIMUM OF 30,000 LIRE PER MONTH INCREASES WITH IMMEDIATE EFFECT. NO NEW BARGAINING SESSIONS ARE SCHEDULED AT PRESENT. AUTONOMOUS RAILROAD UNIONS HAVE ANNOUNCED A SERIES OF YEAR-END RAIL STRIKES WHICH COULD BADLY HAMPER RAIL TRAFFIC DURING THE BUSY INTER-HOLIDAY PERIOD. OTHER STRIKE ACTIONS AND WORK SLOWDOWNS ARE BEING CONTEMPLATED (POSTAL WORKERS ARE ALREADY LIMITED OFFICIAL USE

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BEGINNING TO "WORK TO RULE" SLOWDOWNS).

5. COMMENT: THE COMMUNISTS CONTINUE TO LEAD A RELUCTANT LABOR MOVEMENT IN THE DIRECTION OF MEANINGFUL CONCESSIONS FOR THE REDUCTION OF LABOR COSTS. THEY ARE AKING A LOT OF HEAT IN CONSEQUENCE, BOTH FROM OTHER ELEMENTS WITHIN THE LABOR MOVEMENT (PARTICULARLY THE SOCIALISTS IND, ONE IS TOLD, BEHIND CLOSED DOORS FROM CGIL SOCIALISTS), AND FROM RANK AND FILE

GROUPINGS SUCH AS LOCAL FACTORY COUNCILS. A SATISFACTORY, NON-INFLATIONARY SETTLEMENT OF THE PUBLIC SERVICE IMPASSE WILL BE AN IMPORTANT COMPONENT IN RESOLVING THE CURRENT SITUATION, BOTH WITH RESPECT TO THE GOVERNMENT'S AUSTERITY MEASURES AND TO AN ORDERLY RESOLUTION OF THE SUCCESSION STRUGGLE WITHIN CISL. IN THIS LATTER CONNECTION, THE WORD IS THAT STORTI'S APPOINTMENT TO THE CNEL PRESIDENCY IS AGAIN BEING HELD UP DESPITE HIS RECENT CONFIDENCE (ROME'S 19949) THAT THE APPOINTMENT IS IN HAND.BEAUDRY

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Copy:** SINGLE  
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